

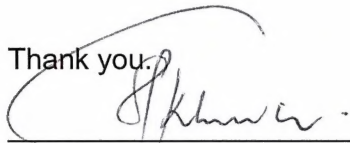


**MSINGA MUNICIPALITY
UMKHANDLU WASEMSINGA
PRIVATE BAG X530
TUGELA FERRY**

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2018/2019 DRAFT BUDGET QUALITY CERTIFICATE

I **S L Sokhela**, Acting Municipal Manager of **Msinga Municipality**, hereby certify that the Adjustment budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under this Act, and that the Draft budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Thank you.


Mr. S L Sokhela
The Accounting Officer
Msinga Municipality (KZ244)
Date:

ITEM A DRAFT BUDGET 2018/2019

EXECUTIVE COMMITTEE

ROUTING:

FULL COUNCIL MEETING 2018/03/28

1. PURPOSE

To submit to the Council the draft budget proposals for 2018/2019 and Capital Budget 2018/2019 financial year.

2. STATUTORY REQUIREMENTS

In terms of Section 10(G)(4) of the Local Government Transition Act, Second Amendment Act, 1996 (Act 97 of 1996) the Council shall submit to the Minister of Finance within 14 days from the adoption thereof by Council for the purpose of monitoring whether the maximum expenditure limits have been complied with: Provided that the Minister of Finance may delegate this monitoring function to the MEC responsible for Finance.

Section 10(G)(4) of the Act mentioned above provides that "in so far as it may be essential for the pursuit of the national economic policy, the Minister of Finance, after consultation with the Minister, determine maximum expenditure limits for the budgets or components of such budgets of municipalities for a financial year."

The Minister of Finance has therefore set the maximum expenditure increases of 6% for each of the capital, special and trust funds and operating budgets.

These restrictions do not take into consideration new municipalities that have been recently established as ours, resulting in some functions not efficiently, effectively and efficaciously being performed.

3. BUDGET PRINCIPLES / METHODS

3.1 SALARIES, WAGES AND ALLOWANCES

A provision of 8% increase has been made in staff salaries, wages and allowances.

3.2 COUNCILLOR SALARIES AND ALLOWANCE

The provision for Councillors salaries, allowances and benefits have been based on Government gazette draft Notice No. R 1224 for the determination of the upper limits of the salaries, allowances and benefits of the different members of the municipal council. A provision of 8% increase has been made although this may not be realized.

4. RESOURCE SUPPORT SERVICES

4.1. OPERATING INCOME

4.1.1 TARIFF OF CHARGES

Refer to tariff of charges.

4.2. EQUITABLE SHARE

An amount of R 145 753 000 has been allocated to the Msinga Municipality for the financial year 2018/2019.

4.3. GRANTS

4.3.1. Financial Management Grant

An amount of R 1 900 000 has been allocated to Msinga Municipality.

4.3.2. Expanded Public Works Grant

An amount of R 4 394 000 has been allocated to Msinga Municipality.

4.3.3. MIG Grant

An amount of R 36 715 000 has been allocated to Msinga Municipality.

4.3.4. Intergrated Electrification Programme Grant

An amount of R17 700 000 has been allocated to Msinga Municipality.

4.3.5. Library Grant

An amount of R 836 000 has been allocated to Msinga Municipality.

4.4. OPERATING EXPENDITURE

The total operational expenditure amounts to R 179 735 428

5. CAPITAL BUDGET (PROJECTS)

The total capital projects is R 68 926 904 or the 2018/2019 financial year.

6. RECOMMENDATIONS

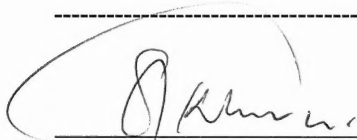
It is recommended that Council resolve as follows:

- 6.1. That the proposed estimates of operating income and expenditure for 2018/2019 financial year as submitted be approved.
- 6.2. That the proposed estimates of capital projects and programmes for 2018/2019 financial year be approved.
- 6.3. Free Basic Services vote be utilized for any Community Projects relating to a Service by the discretion of Council.
- 6.4. That the Budget is funded and in line with MSCOA.
- 6.5. That the Draft Budget be submitted in the MSCOA 6.2 version and the A1 6.2 Schedules be submitted to Provincial Treasury and National Treasury.

B P NGCOBO
HONOURABLE MAYOR

Date: _____

Recommendations supported/~~Not supported~~



S L SOKHELA
ACTING MUNICIPAL MANAGER

Date: _____